# GOVERNMENT OF INDIA
# PLANNING
# LOK SABHA

UNSTARRED QUESTION NO:215
ANSWERED ON:01.12.2004
CRITERIA FOR POVERTY
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**Will the Minister of PLANNING be pleased to state:**

(a) whether the criteria for declaring poor in Indian Official Poverty Line is lowest after China in the world;

(b) if so, the criteria laid down for determining poverty line; and

(c) the action proposed to be taken to take care of basic needs of India`s poor as is being done by China?

## Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING (SHRI M.V. RAJASEKHARAN)

(a): Planning Commission is not aware of any basis by which it can be said that the criteria for declaring poor in Indian Official poverty Line is lowest after China in the world. The poverty lines of countries cannot usually be compared since, the factors taken into account to determine the poverty line may be different for different countries.

(b): The poverty line is expressed in terms of per capita consumption expenditure needed to attain a minimum amount of calorie intake out of food consumption along with a minimum amount of non-food expenditure in order to meet the requirements of clothing, shelter, transport etc.
The Planning Commission uses a poverty line based on per capita consumption expenditure as the criterion to determine the persons living below the poverty line. The per capita consumption norm has been fixed at Rs.49.09 per month in rural areas and Rs.56.64 per month in urban areas at 1973-74 prices at national level corresponding to a basket of goods and services anchored on a norm of per capita daily calorie requirement of 2400 kcal in rural areas and 2100 kcal in urban areas. The state-specific poverty lines are derived from the national level poverty lines, using state-specific price indices and inter-state price differentials. The national poverty line at 1999-2000 prices is Rs.327.56 per month in rural areas and Rs.454.11 per capita per month in urban areas.

(c): The Government has adopted a three pronged strategy for reducing poverty-

(i) acceleration of economic growth with a focus on sectors which are employment intensive;

(ii) human and social development through provision of basic minimum services; and

(iii) targeted anti poverty programmes.

In order to take care of basic needs of India`s poor at the village level, an initiative in the form of Prime Minister`s Gramodaya Yojana (PMGY) was launched. The PMGY envisages Additional Central Assistance for selected basic minimum services in order to focus on certain priority areas of the Government. These include primary health, primary education, rural shelter, drinking water, rural electrification and nutrition.

In addition, with effect from June, 1997 the Public Distribution system in India was streamlined by issuing special cards to families Below Poverty Line (BPL) and selling food grains under PDS to them at specially subsidised prices which was about 50% of the economic costs. Under the new scheme, viz., the Targeted Public Distribution System (TPDS) each poor family is entitled to 35 kgs of foodgrains.

In order to make the TPDS more focused and targeted towards the very poor category, the `Antyodaya Anna Yojana` provides 35 kgs of foodgrains to the poorest of the poor families at a highly subsidized rate of Rs.2 per kg., for wheat and Rs.3 per kg., for rice. In the budget for 2004-05 presented on 8-7-04 it was announced that the coverage of Antyodaya Anna Yojana will be increased from 1.5 crore families to 2.0 crore families.